

Review of the relationship between Bolsover District Council and Robert Woodhead Ltd (RWL) – Evidence gathering (2nd session)

Query (iii) – An assessment of the sufficiency of the required performance of the framework, against payments to Woodhead.

I have assumed in this response that sufficiency relates to the condition or quality of being adequate or sufficient in relation to Performance.

The framework contains no payment mechanism and is purely an agreement outlining the outcomes required by Bolsover District Council (BDC). It holds BDC in no legal obligation to enter into contracts for schemes with Robert Woodhead Ltd (RWL).

Each scheme is priced individually with each element being scrutinised by the external Quantity Surveyor (QS) against the framework costs submitted at tender stage. Any works falling outside of these agreed costs are tested against current national prices and only when all these checks have been undertaken and the external QS satisfied is a value for money statement issued to BDC. This then forms part of the contract as it agrees the contract sum.

Payments are only made to RWL against the agreed contract sum for a scheme and these payments are made following a clear process involving;

1. The actual work undertaken being checked at an agreed time with both RWL's QS and BDC's external QS on site to check each element of the claim.
2. A request for payment for work undertaken being made by RWL
3. The claim being checked against those works viewed on site and the framework prices agreed by BDC's external QS
4. Payment being authorised by the external QS and made by BDC.

Wherever items are not accepted as being completed or do not meet the required standards then payment is withheld against that element.

Query (iv) – Investigation into how the quality of housing built is monitored and the penalties and mitigation measures in place.

There is a clear process to be followed from the inception of a design through to handover that must be followed

Design Phase

The house designs must meet the specification agreed over the 4 years of B@home (Updated following every scheme with lessons learned)

- All homes have been designed to meet the Lifetime Homes standard making them 45% cheaper to run compared to existing Bolsover District Council properties.
Other standards met include:
- Secure by Design
- Built for Life 12
- Successful places

- Built to the standards of Code for Sustainable Homes Level 3 or greater.

Regular design team meetings are held throughout the framework with new schemes being discussed and decisions made as a group.

Construction Phase

All construction sites are visited regularly by the contract team at Bolsover to ensure the quality standards required are being achieved. The contract team consists of officers who are time served bricklayers with years of experience.

In addition to this there are monthly formal site meetings where H&S is assessed by the Principle Designer and performance is discussed with the whole project team present.

There have been very few issues with quality on the B@home and Bolsover Homes sites but where we have purchased section 106 properties from the more volumetric housebuilders, we have instructed a full gable wall to be taken down and re-built, Bricks to be chopped out and renewed, refused to accept handovers. An example of where this technical knowledge was evidenced was where they identified that the technical drawings weren't being followed and an item had been missed. This resulted in a number of courses of brickwork being taken down and the missing detail being added.

Aftercare

Woodhead's have also demonstrated commitment to providing defect free properties at handover and where repairs are required during the first 12 months their dedicated Customer Care department, have been prompt in responding to all aftercare issues. Intelligence from this feeds into the specification and choice of sub contractors for other schemes.

Following each project a customer satisfaction survey is also filled in which highlights any issues throughout the build programme.

Penalties & Mitigation

We do not build financial penalties into the contract as this would increase costs as contractors look to mitigate risk. However as each scheme requires a separate contract and a decision from Exec, failure to achieve the required quality standards would mean they could receive no further work through the partnership.

Energy Efficiency and Sustainability

Woodhead's adopted a 'fabric first' approach to deliver sustainable new homes, making homes more energy efficient by using building techniques that are built into the fabric of the building. For example increasing insulation in the walls and roofs, and installing efficient heating systems to create even better efficiencies and tackle fuel poverty.

They contain products that BDC local authority are familiar with and currently use across our portfolio to assist with our asset management and procurement.

The average energy performance rating of current housing stock was “D”, the new homes delivered were independently assessed as a “B”

Query (v) – Investigation of the robustness of the monitoring of the 80% local employment usage commitment with associated penalties, remedies and reputation mitigation plans.

We have added contact details for sub contractors/suppliers to each site sign.

The RWL Project manager is approaching local contractors for all elements not yet procured.

Additional detail within the contractors report No.1

SOCIAL VALUE UPDATE - NOVEMBER 2020

The Bolsover School 09/11/2020 - Virtual Meeting with The Bolsover School.

- Discussed the following:
- Relaunching the BIG Partnership
- Discussions around a School Construction Academy
- Setting the students some projects including
- Programme of works challenge & Setting up a site project
- Deliver a virtual school assembly

Shirebrook Academy

15/10/2020 - Delivered a virtual Careers talk to **26 students** studying construction.

Future activities subject to change include:

- Support for work experience in 2020
- Mock interview x 2 days in January (was November)

Whitwell Primary School

- Awaiting call back from them to link with Whitwell Cluster

My Future Platform

- Virtual careers stand on hub – 1 of 100 businesses statistics are provided on number of hits to the Woodhead Group stand
- Video case study of Woodhead's

Kick Start Programme

- We are planning to roll out across the company a number of opportunities for the Kick Start programme, mainly focusing on labouring positions. One of the first projects we hope to trial this on is the Whitwell Cluster.

Considerate Constructors Scheme

- Doles Lane site registered – work on going with the site team

BDC Housing Maintenance Apprentices

- Spoke to Andy Clarke re BDC Apprentices getting some time on site
- Futures have arranged a H&S visit on site before Apprentices can spend time on there

Other initiatives

- Talking with Chesterfield College re: work experience programme
- Working with Derbyshire Education Business Partnership re: linking to schools

Bolsover Homes Partnership – Update Briefing November 2020

- Looking at developing a series of short videos to inspire careers in construction
- Developing a form for sub-contractors to send back to us on any social values they have delivered as part of the projects

Additional detail to Evidence session 1:

Query (i) – An investigation of the pricing structure of the framework with emphasis on the apparent divergence in costs submitted at tender and costs charged for the first element of the framework

I am not really sure what is being asked here and I have asked for further clarification.

Use of a framework

I think members were satisfied that the procurement process had been followed but I felt there was a question over the use of a framework rather than an open tender.

Using an open tender means that many of the firms who submit responses do not meet the minimum financial criteria or realistically would be unable to meet the demands of the Bolsover Homes framework. The resource to evaluate a large amount of tender responses especially one as complex as this would have been huge and at the time there was a willingness to continue straight on from the work undertaken through the B@Home partnership in order to not lose momentum. A scheme of this size would also have attracted a nationwide interest where the aim was to focus on more local spend. The EEM framework is based in the region and although can offer national coverage is more focused on local contractors who employ sub contractors closer to home. I have included information on the EEM framework we used have below.

EEM undertook an OJEU compliant open tender procurement procedure to establish the framework. The tender was advertised via Tenders Electronic Daily, Contracts Finder and local advertisement portals. As part of the procurement and evaluation process bidders were asked to complete the Standard Selection Questionnaire as published by the cabinet office . THE SQ covers all of the minimum assessment requirements from equality and diversity through to financials and health and safety competency. EEM also undertake credit checks on organisations .

In addition to the SQ assessment review we establish an evaluation criterion based on cost and quality to assess tender submissions. For EEM0059 Main Management Contractors, tender submissions were assessed on a 70% price/ 30% quality basis.

Organisations were asked to respond to a number of quality questions and their responses were scored against the set marking criteria . The quality assessment was allocated a weighting of 30% and split as follows:

- Proposed Technical Management Solution - 6%
- Capacity Proposals for Processes and Quality Management - 6%
- Proposals for Research and Development and Managing and Improving Value and Performance 6%
- Proposals for Environmental Sustainability 6%
- Proposals for Community and Corporate Social Responsibility 6%

The price evaluation was allocated 70% and was made up of small ,medium and large schemes and property types were given a % weighting for each scheme size.

The framework allows for selection via direct call off and mini competition in accordance with the framework terms. Members selecting via direct call of must obtain internal approval and justification for the reasons for direct selection to ensure their internal procurement procedures are followed. Mini competitions are run in accordance with the framework terms and members requirements ensuring price models and quality questions can be tied back to the original framework format.

Both mini competition's and direct selections via the framework ensure a compliant route for members and an obvious reduction in time and cost associated in undertaking an open tender procurement process. All frameworks are procured to try and achieve best value and quality for our membership.

In order for BDC to maintain quality we changed the criteria to a 60:40 cost:quality split and opted for the framework as this would ensure that all those on the framework were able to deliver the quality we were looking for with the benefits of the EEM framework in terms of an efficient procurement process.

Although the responses were disappointing I believe this was down to the size and complexity of the tender documents to protect BDC and reduce opportunities for additional cost allied to the focus on quality and social value.

We did receive two returns which allowed us to have some comparison and the closeness of the sums tendered for the Sandy scheme indicates that it was

competitive. In addition the submissions were evaluated externally to ensure we were able to compare the costs element effectively.

It is impossible to compare the prices we pay through section 106 schemes or to look at prices for other authorities schemes as they are not using our properties which are as evidenced above built to a very high standard and I firmly believe are better than the products we buy or see when visiting other authorities. In addition there is our commitment to use the smaller bits of land we own that are bringing little income or suffering from anti-social behaviour etc. This is more challenging and expensive than using a lovely flat green field (That unfortunately we don't own).